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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 29, 2016

CERTIFIED RETURN RECEIPT
7015 0640 0001 4528 8700

Lon Thomas
Star Stone Quarries
4040 South 300 West
Salt Lake City, Utah 84107

Subject: Five-Year Review of Reclamation Surety, Star Stone Quarries, Torrey Quarry, M/055/0016, Wayne County, Utah

Dear Mr. Thomas

The last surety estimate for the Torrey Quarry mine was completed in 2011 and was adjusted to 2016 dollars. The Division of Oil, Gas and Mining has recalculated the surety amount using current costs.

The surety for the Torrey Quarry mine escalated to 2021 is **\$47,300.00** which is based on escalation figures shown in the attached spreadsheet. **Please provide the updated surety no later than August 24, 2016.**

<i>Small Mine Operation >5 Acres Bond Calculation Worksheet</i>			
<i>Torrey Quarry M/055/0016</i>			
<i>5-year escalation (2021)</i>			
<u>Item</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
6th Acre Disturbance (6 acres of disturbance)	1	\$38,100.00	\$38,100.00
Add'l Acres Disturbance	1	\$5,900.00	\$5,900.00
General Mob/demob >50 miles	1	\$3,300.00	\$3,300.00
TOTAL	6 acres		\$47,300.00

The current reclamation surety is in the form of a surety bond. You may provide a rider for the existing bond, or you may supply cash, a certificate of deposit, a letter of credit, or a new surety bond for either the increased or the full amount. The Division will release your current reclamation surety if you provide a new surety for the full amount. Please contact the

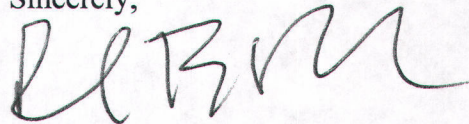
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minerals program bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov for further information about submitting the surety. Current bonding forms are available on the Internet at http://linux3.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding_worksheets.html.

In addition you need to provide annual reports for 2014 and 2015. You can download the forms at http://linux3.ogm.utah.gov/WebStuff/wwwroot/minerals/permit_forms.html. A copy of the forms is included.

Thank you for your help in keeping the surety current. Please contact Wayne Western at 801-538-5263 if you have questions concerning this requirement.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', with a stylized flourish at the end.

Paul B. Baker
Mining Program Manager

PBB:whw:pb

cc: John Reay, Hanksville BLM (jreay@blm.gov)

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